

Dear Mr. Secretary:

I hereby transmit House File 730, an Act relating to state government technology and operations, by making and relating to appropriations to the Iowa communications network for the connection and support of certain Part III users, making appropriations to various entities for other technology-related purposes, providing for the procurement of information technology, and providing effective dates.

House File 730 is, therefore, approved on this date with the following exceptions, which I hereby disapprove.

I am unable to approve the item designated as section 10, subsection 2, unnumbered and unlettered paragraph 2, in its entirety. This item would require the Department of General Services to retain outside legal counsel to review agency agreements relating to Year 2000 compliance. Executive branch agencies enter into hundreds of technology agreements every year. Many of these agreements include programs that have a component related to Year 2000 compliance. Retaining outside legal counsel to review these agency agreements is unnecessary and would add significantly to the cost of technology products and services.

I am unable to approve the item designated as section 10, subsection 3, in its entirety. This item would require state agencies to use at least fifty percent of their resources committed to information technology to implement Year 2000 programming. All executive branch agencies are encouraged to maximize their resources to make the modifications required by the Year 2000. I am committed to assuring that state agencies report on the progress made towards meeting Year 2000 compliance and the resources used to achieve this purpose.

For the above reasons, I hereby respectfully disapprove these items in accordance with Amendment IV of the Amendments of 1968 to the Constitution of the State of Iowa. All other items in House File 730 are hereby approved as of this date.

Sincerely,
TERRY E. BRANSTAD, Governor

CHAPTER 211

APPROPRIATIONS — ADMINISTRATION AND REGULATION

S.F. 529

AN ACT relating to and making appropriations to certain state departments, agencies, funds, and certain other entities, providing for regulatory authority, and other properly related matters.

Be It Enacted by the General Assembly of the State of Iowa:

Section 1. AUDITOR OF STATE. There is appropriated from the general fund of the state to the office of the auditor of state for the fiscal year beginning July 1, 1997, and ending June 30, 1998, the following amount, or so much thereof as is necessary, to be used for the purposes designated:

For salaries, support, maintenance, miscellaneous purposes, and for not more than the following full-time equivalent positions:

.....	\$	1,393,355
.....	FTEs	112.50

The auditor of state may retain additional full-time equivalent positions as is reasonable and necessary to perform governmental subdivision audits which are reimbursable pursu-

ant to section 11.20 or 11.21, to perform audits which are requested by and reimbursable from the federal government, and to perform work requested by and reimbursable from departments or agencies pursuant to section 11.5A or 11.5B. The auditor of state shall notify the department of management, the legislative fiscal committee, and the legislative fiscal bureau of the additional full-time equivalent positions retained.

Sec. 2. IOWA ETHICS AND CAMPAIGN DISCLOSURE BOARD. There is appropriated from the general fund of the state to the Iowa ethics and campaign disclosure board for the fiscal year beginning July 1, 1997, and ending June 30, 1998, the following amount, or so much thereof as is necessary, for the purposes designated:

For salaries, support, maintenance, miscellaneous purposes, and for not more than the following full-time equivalent positions:

.....	\$	429,137
.....	FTEs	8.00

Sec. 3. DEPARTMENT OF COMMERCE. There is appropriated from the general fund of the state to the department of commerce for the fiscal year beginning July 1, 1997, and ending June 30, 1998, the following amounts, or so much thereof as is necessary, for the purposes designated:

1. ADMINISTRATIVE SERVICES DIVISION

For salaries, support, maintenance, miscellaneous purposes, and for not more than the following full-time equivalent positions:

.....	\$	966,256
.....	FTEs	18.50

The division of administrative services shall assess each division within the department of commerce and the office of consumer advocate within the department of justice a pro rata share of the operating expenses of the division of administrative services. The pro rata share shall be determined pursuant to a cost allocation plan established by the division of administrative services and agreed to by the administrators of the divisions and the consumer advocate. To the extent practicable, the cost allocation plan shall be based on the proportion of the administrative expenses incurred on behalf of each division and the office of consumer advocate. Each division and the office of consumer advocate shall include in its charges assessed or revenues generated, an amount sufficient to cover the amount stated in its appropriation, any state assessed indirect costs determined by the department of revenue and finance, and the cost of services provided by the division of administrative services.

2. ALCOHOLIC BEVERAGES DIVISION

For salaries, support, maintenance, miscellaneous purposes, and for not more than the following full-time equivalent positions:

.....	\$	1,510,485
.....	FTEs	25.00

3. BANKING DIVISION

For salaries, support, maintenance, miscellaneous purposes, and for not more than the following full-time equivalent positions:

.....	\$	5,466,364
.....	FTEs	81.00

4. CREDIT UNION DIVISION

For salaries, support, maintenance, miscellaneous purposes, and for not more than the following full-time equivalent positions:

.....	\$	1,066,000
.....	FTEs	19.00

5. INSURANCE DIVISION

For salaries, support, maintenance, miscellaneous purposes, and for not more than the following full-time equivalent positions:

.....	\$	3,079,517
.....	FTEs	91.00

Of the amounts appropriated in this subsection to the insurance division, not more than \$100,000 shall be used for the regulation of health insurance reform.

Of the amounts appropriated in this subsection to the insurance division, at least \$120,000 shall be used for the investigation of insurance fraud. It is the intent of the general assembly that the insurance division shall establish an insurance fraud program considering, but is not limited to the following guidelines: study successful insurance fraud programs in other states, hire necessary staff, promulgate necessary rules, review the fraud unit of the Iowa department of workforce development, educate the regulated community and the general public on the functions of the fraud program, work with consultants as needed to establish the insurance fraud program, and establish a procedure for handling complaints.

The insurance division may reallocate authorized full-time equivalent positions as necessary to respond to accreditation recommendations or requirements. The insurance division expenditures for examination purposes may exceed the projected receipts, refunds and reimbursements, estimated pursuant to section 505.7, subsection 7, including the expenditures for retention of additional personnel, if the expenditures are fully reimbursable and the division first does both of the following:

a. Notifies the department of management, legislative fiscal bureau, and the legislative fiscal committee of the need for the expenditures.

b. Files with each of the entities named in paragraph "a" the legislative and regulatory justification for the expenditures, along with an estimate of the expenditures.

6. PROFESSIONAL LICENSING AND REGULATION DIVISION

For salaries, support, maintenance, miscellaneous purposes, and for not more than the following full-time equivalent positions:

.....	\$	849,044
.....	FTEs	12.00

7. UTILITIES DIVISION

For salaries, support, maintenance, miscellaneous purposes, and for not more than the following full-time equivalent positions:

.....	\$	5,158,187
.....	FTEs	75.00

The utilities division may expend additional funds, including funds for additional personnel, if those additional expenditures are actual expenses which exceed the funds budgeted for utility regulation. Before the division expends or encumbers an amount in excess of the funds budgeted for regulation, the director of the department of management shall approve the expenditure or encumbrance. Before approval is given, the director of the department of management shall determine that the regulation expenses exceed the funds budgeted by the general assembly to the division and that the division does not have other funds from which regulation expenses can be paid. Upon approval of the director of the department of management the division may expend and encumber funds for excess regulation expenses. The amounts necessary to fund the excess regulation expenses shall be collected from those utility companies being regulated which caused the excess expenditures, and the collections shall be treated as repayment receipts as defined in section 8.2.

Sec. 4 COMMUNICATIONS SERVICES REGULATION. There is appropriated from the general fund of the state to the department of commerce for the fiscal year beginning July 1, 1997, and ending June 30, 1998, the following amount, or so much thereof as is necessary, to be used for the purpose designated:

For consulting services to assist the utilities board with the implementation of 1995 Iowa Acts, chapter 199, to assist in the regulatory transition of the communications industry, and for implementation of the federal Telecommunications Act of 1996, Pub. L. No. 104-104:

.....	\$	100,000
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The utilities division shall recover the moneys appropriated in this section pursuant to the assessment procedures in section 476.10.

Sec. 5. LEGISLATIVE AGENCIES. There is appropriated from the general fund of the state to the following named agencies for the fiscal year beginning July 1, 1997, and ending June 30, 1998, the following amounts, or so much thereof as is necessary, to be used for the purposes designated:

1. COMMISSION ON UNIFORM STATE LAWS

For support of the commission and expenses of the members:

..... \$ 23,350

2. NATIONAL CONFERENCE OF STATE LEGISLATURES

For support of the membership assessment:

..... \$ 94,922

3. AMERICAN LEGISLATIVE EXCHANGE COUNCIL

For support of the membership assessment:

..... \$ 7,500

Sec. 6. DEPARTMENT OF GENERAL SERVICES. There is appropriated from the general fund of the state to the department of general services for the fiscal year beginning July 1, 1997, and ending June 30, 1998, the following amounts, or so much thereof as is necessary, to be used for the purposes designated:

1. ADMINISTRATION

For salaries, support, maintenance, miscellaneous purposes, and for not more than the following full-time equivalent positions:

..... \$ 1,926,518

..... FTEs 52.60

2. PROPERTY MANAGEMENT

For salaries, support, maintenance, miscellaneous purposes, and for not more than the following full-time equivalent positions:

..... \$ 4,186,909

..... FTEs 115.00

It is the intent of the general assembly that the department of general services shall develop a strategic plan to secure outside leasing in the most economical and efficient manner. The department of general services shall bill the costs of providing the leasing service to the state agencies which use the service.

3. CAPITOL PLANNING COMMISSION

For expenses of the members in carrying out their duties under chapter 18A:

..... \$ 2,000

4. RENTAL SPACE

For payment of lease or rental costs of buildings and office space at the seat of government as provided in section 18.12, subsection 9, notwithstanding section 18.16:

..... \$ 656,104

5. UTILITY COSTS

For payment of utility costs and for not more than the following full-time equivalent positions:

..... \$ 2,148,942

Notwithstanding sections 8.33 and 18.12, subsection 11, any excess funds appropriated for utility costs in this subsection shall not revert to the general fund of the state on June 30, 1998, but shall remain available for expenditure for the purposes of this subsection during the fiscal year beginning July 1, 1998.

6. TERRACE HILL OPERATIONS

For salaries, support, maintenance, and miscellaneous purposes necessary for the operation of Terrace Hill and for not more than the following full-time equivalent positions:

..... \$ 199,512

..... FTEs 4.00

Sec. 7. REVOLVING FUNDS. There is appropriated from the designated revolving funds to the department of general services for the fiscal year beginning July 1, 1997, and ending June 30, 1998, the following amounts, or so much thereof as is necessary, to be used for the purposes designated:

1. CENTRALIZED PRINTING

From the centralized printing permanent revolving fund established by section 18.57 for salaries, support, maintenance, miscellaneous purposes, and for not more than the following full-time equivalent positions:

.....	\$	1,003,152
.....	FTEs	27.05

2. CENTRALIZED PRINTING — REMAINDER

The remainder of the centralized printing permanent revolving fund is appropriated for the expense incurred in supplying paper stock, offset printing, copy preparation, binding, distribution costs, original payment of printing and binding claims and contingencies arising during the fiscal year beginning July 1, 1997, and ending June 30, 1998, which are legally payable from this fund.

3. CENTRALIZED PURCHASING

From the centralized purchasing permanent revolving fund established by section 18.9 for salaries, support, maintenance, miscellaneous purposes, and for not more than the following full-time equivalent positions:

.....	\$	888,535
.....	FTEs	18.20

4. CENTRALIZED PURCHASING — REMAINDER

The remainder of the centralized purchasing permanent revolving fund is appropriated for the payment of expenses incurred through purchases by various state departments and for contingencies arising during the fiscal year beginning July 1, 1997, and ending June 30, 1998, which are legally payable from this fund.

5. VEHICLE DISPATCHER

From the vehicle dispatcher revolving fund established by section 18.119 for salaries, support, maintenance, miscellaneous purposes, and for not more than the following full-time equivalent positions:

.....	\$	695,808
.....	FTEs	15.85

6. VEHICLE DISPATCHER — REMAINDER

The remainder of the vehicle dispatcher revolving fund is appropriated for the purchase of gasoline, gasohol, oil, tires, repairs, and all other maintenance expenses incurred in the operation of state-owned motor vehicles and for contingencies arising during the fiscal year beginning July 1, 1997, and ending June 30, 1998, which are legally payable from this fund.

It is the intent of the general assembly that any consolidation of the information technology services of this state, including year 2000 corrections, will use a cooperative enterprise model in which the legislative, judicial, and executive branches of state government have input along with all other public entities. The budgetary responsibilities of the general assembly mandate legislative oversight of information technology services consolidation to ensure responsible allocation of the human and fiscal resources of this state.

Sec. 8. NONREVERSION. Notwithstanding section 8.33, unobligated moneys remaining on June 30, 1997, from moneys appropriated to the department of general services in 1996 Iowa Acts, chapter 1219, section 44, shall not revert to the general fund of the state but shall be available for expenditure for the following fiscal year for the purposes for which appropriated.

Sec. 9. GOVERNOR AND LIEUTENANT GOVERNOR. There is appropriated from the general fund of the state to the offices of the governor and the lieutenant governor for the

fiscal year beginning July 1, 1997, and ending June 30, 1998, the following amounts, or so much thereof as is necessary, to be used for the purposes designated:

1. GENERAL OFFICE

For salaries, support, maintenance, and miscellaneous purposes for the general office of the governor and the general office of the lieutenant governor, and for not more than the following full-time equivalent positions:

.....	\$	1,220,799
.....	FTEs	17.25

2. TERRACE HILL QUARTERS

For salaries, support, maintenance, and miscellaneous purposes for the governor's quarters at Terrace Hill, and for not more than the following full-time equivalent positions:

.....	\$	71,829
.....	FTEs	2.00

3. ADMINISTRATIVE RULES COORDINATOR

For salaries, support, maintenance, and miscellaneous purposes for the office of administrative rules coordinator, and for not more than the following full-time equivalent positions:

.....	\$	122,910
.....	FTEs	3.00

4. NATIONAL GOVERNORS ASSOCIATION

For payment of Iowa's membership in the national governors association:

.....	\$	64,872
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Sec. 10. DEPARTMENT OF INSPECTIONS AND APPEALS. There is appropriated from the general fund of the state to the department of inspections and appeals for the fiscal year beginning July 1, 1997, and ending June 30, 1998, the following amounts, or so much thereof as is necessary, for the purposes designated:

1. FINANCE AND SERVICES DIVISION

For salaries, support, maintenance, miscellaneous purposes, and for not more than the following full-time equivalent positions:

.....	\$	517,990
.....	FTEs	20.20

2. AUDITS DIVISION

For salaries, support, maintenance, miscellaneous purposes, and for not more than the following full-time equivalent positions:

.....	\$	452,111
.....	FTEs	11.00

3. APPEALS AND FAIR HEARINGS DIVISION

For salaries, support, maintenance, miscellaneous purposes, and for not more than the following full-time equivalent positions:

.....	\$	244,614
.....	FTEs	25.50

4. INVESTIGATIONS DIVISION

For salaries, support, maintenance, miscellaneous purposes, and for not more than the following full-time equivalent positions:

.....	\$	898,408
.....	FTEs	37.00

It is the intent of the general assembly that \$120,000 and 3.00 FTEs included in this subsection shall be used for additional welfare investigations.

5. HEALTH FACILITIES DIVISION

For salaries, support, maintenance, miscellaneous purposes, and for not more than the following full-time equivalent positions:

.....	\$	2,001,795
.....	FTEs	99.00

It is the intent of the general assembly that \$181,344 and 2.00 FTEs included in this subsection shall be used for additional inspections of state-licensed residential care facilities only.

6. INSPECTIONS DIVISION

For salaries, support, maintenance, miscellaneous purposes, and for not more than the following full-time equivalent positions:

.....	\$	622,783
.....	FTEs	13.00

7. EMPLOYMENT APPEAL BOARD

For salaries, support, maintenance, miscellaneous purposes, and for not more than the following full-time equivalent positions:

.....	\$	33,683
.....	FTEs	15.00

The employment appeal board shall be reimbursed by the labor services division of the department of employment services for all costs associated with hearings conducted under chapter 91C, related to contractor registration. The board may expend, in addition to the amount appropriated under this subsection, additional amounts as are directly billable to the labor services division under this subsection and to retain the additional full-time equivalent positions as needed to conduct hearings required pursuant to chapter 91C.

8. STATE FOSTER CARE REVIEW BOARD

For salaries, support, maintenance, miscellaneous purposes, and for not more than the following full-time equivalent positions:

.....	\$	554,407
.....	FTEs	13.00

The department of human services, in coordination with the state foster care review board and the department of inspections and appeals, shall submit an application for funding available pursuant to Title IV-E of the federal Social Security Act for claims for state foster care review board administrative review costs.

Sec. 11. RACETRACK REGULATION. There is appropriated from the general fund of the state to the racing and gaming commission of the department of inspections and appeals for the fiscal year beginning July 1, 1997, and ending June 30, 1998, the following amount, or so much thereof as is necessary, to be used for the purposes designated:

For salaries, support, maintenance, miscellaneous purposes, for the regulation of pari-mutuel racetracks, and for not more than the following full-time equivalent positions:

.....	\$	2,007,624
.....	FTEs	23.51

It is the intent of the general assembly that if the funds appropriated in this section are insufficient to meet the costs of the commission associated with the extended horse race-track season, the commission may collect any deficient costs not to exceed \$17,577 from the horse racetrack licensee.

Sec. 12. EXCURSION BOAT REGULATION. There is appropriated from the general fund of the state to the racing and gaming commission of the department of inspections and appeals for the fiscal year beginning July 1, 1997, and ending June 30, 1998, the following amount, or so much thereof as is necessary, to be used for the purposes designated:

For salaries, support, maintenance, and miscellaneous purposes for administration and enforcement of the excursion boat gambling laws, and for not more than the following full-time equivalent positions:

.....	\$	1,253,092
.....	FTEs	25.29

It is the intent of the general assembly that the racing and gaming commission shall only employ additional full-time equivalent positions for riverboat gambling enforcement as authorized by the department of management as needed for enforcement on new riverboats.

If more than nine riverboats are operating during the fiscal year beginning July 1, 1997, and ending June 30, 1998, the commission may expend no more than \$84,917 for no more than 2 FTEs for each additional riverboat in excess of nine. The additional expense associated with the positions shall be paid from fees assessed by the commission as provided in chapter 99F.

Notwithstanding section 8.39, funds shall not be transferred to the department of inspections and appeals which would be used for monitoring Indian gaming.

Sec. 13. USE TAX APPROPRIATION. There is appropriated from the use tax receipts collected pursuant to sections 423.7 and 423.7A prior to their deposit in the road use tax fund pursuant to section 423.24, subsection 1, to the appeals and fair hearings division of the department of inspections and appeals for the fiscal year beginning July 1, 1997, and ending June 30, 1998, the following amount, or so much thereof as is necessary, for the purposes designated:

For salaries, support, maintenance, and miscellaneous purposes:

.....	\$	1,052,109
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Sec. 14. DEPARTMENT OF MANAGEMENT. There is appropriated from the general fund of the state to the department of management for the fiscal year beginning July 1, 1997, and ending June 30, 1998, the following amounts, or so much thereof as is necessary, to be used for the purposes designated:

1. GENERAL OFFICE

For salaries, support, maintenance, miscellaneous purposes, and for not more than the following full-time equivalent positions:

.....	\$	1,893,317
.....	FTEs	28.00

2. LAW ENFORCEMENT TRAINING REIMBURSEMENTS

For reimbursement to local law enforcement agencies for the training of officers who resign pursuant to section 384.15, subsection 7:

.....	\$	47,500
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It is the intent of the general assembly that \$23,750 be appropriated for law enforcement training reimbursements pursuant to section 384.15, subsection 7, for the fiscal year beginning July 1, 1998, and ending June 30, 1999, and thereafter, no moneys be appropriated for that purpose.

3. COUNCIL OF STATE GOVERNMENTS

For support of the membership assessment:

.....	\$	80,031
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4. COUNCIL ON HUMAN INVESTMENT

For salaries, support, maintenance, miscellaneous purposes, and for not more than the following full-time equivalent positions:

.....	\$	187,856
.....	FTEs	2.00

The council on human investment shall notify the co-chairpersons and ranking members of the joint appropriations subcommittee on administration and regulation of the budget for results performance measures established for state agencies receiving appropriations under this Act before the measures are finally adopted.

Sec. 15. ROAD USE TAX APPROPRIATION. There is appropriated from the road use tax fund to the department of management for the fiscal year beginning July 1, 1997, and ending June 30, 1998, the following amount, or so much thereof as is necessary, to be used for the purposes designated:

For salaries, support, maintenance, and miscellaneous purposes:

.....	\$	56,000
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* Item veto; see message at end of the Act

Sec. 16. DEPARTMENT OF PERSONNEL. There is appropriated from the general fund of the state to the department of personnel for the fiscal year beginning July 1, 1997, and ending June 30, 1998, the following amounts, or so much thereof as is necessary, to be used for the purposes designated including the filing of quarterly reports as required in this section:

1. OPERATIONS

For salaries, support, maintenance, and miscellaneous purposes for the director's staff, information services, data processing, and financial services, and for not more than the following full-time equivalent positions:

.....	\$	1,247,218
.....	FTEs	18.42

2. PROGRAM DELIVERY SERVICES

For salaries for personnel services, employment law and labor relations and training for not more than the following full-time equivalent positions:

.....	\$	1,330,232
.....	FTEs	32.55

3. PROGRAM ADMINISTRATION AND DEVELOPMENT

For salaries for employment, compensation, and benefits and workers' compensation and for not more than the following full-time equivalent positions:

.....	\$	1,524,422
.....	FTEs	33.80

Any funds received by the department for workers' compensation purposes other than the funds appropriated in subsection 3 shall be used only for the payment of workers' compensation claims.

The funds for support, maintenance, and miscellaneous purposes for personnel assigned to program delivery services under subsection 2 and program administration and development under subsection 3 are payable from the appropriation made in subsection 1.

The department of personnel shall report annually to the chairpersons and ranking members of the joint appropriations subcommittee on administration and regulation concerning the number of private consultant contracts of one year or more which are entered into or extended each year by the departments and agencies of the state. All departments and agencies of the state shall cooperate with the department in the preparation of this report.

Sec. 17. INSURANCE REFORM SPECIALIST. The executive council shall expend moneys from the surplus funds in the health insurance reserve operating account for salary and benefit costs for one insurance reform specialist. The activities of this position shall be directed by the director of the department of personnel. The position shall be funded from surplus funds specified in the section for the fiscal year beginning July 1, 1997, and ending June 30, 1998, as follows:

.....	\$	86,722
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Sec. 18. IPERS. There is appropriated from the Iowa public employees' retirement system fund to the department of personnel for the fiscal year beginning July 1, 1997, and ending June 30, 1998, the following amount, or so much thereof as is necessary, to be used for the purposes designated:

1. For salaries, support, maintenance, and other operational purposes to pay the costs of the Iowa public employees' retirement system:

.....	\$	4,611,296
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2. It is the intent of the general assembly that the Iowa public employees' retirement system employ sufficient staff within the appropriation provided in this section to meet the developing requirements of the investment program.

Sec. 19. PRIMARY ROAD FUND APPROPRIATION. There is appropriated from the primary road fund to the department of personnel for the fiscal year beginning July 1, 1997,

and ending June 30, 1998, the following amount, or so much thereof as is necessary, to be used for the purposes designated:

For salaries, support, maintenance, and miscellaneous purposes to provide personnel services for the state department of transportation:

..... \$ 359,741

Sec. 20 ROAD USE TAX FUND APPROPRIATION. There is appropriated from the road use tax fund to the department of personnel for the fiscal year beginning July 1, 1997, and ending June 30, 1998, the following amount, or so much thereof as is necessary, to be used for the purposes designated:

For salaries, support, maintenance, and miscellaneous purposes to provide personnel services for the state department of transportation:

..... \$ 58,563

Sec. 21. STATE WORKERS' COMPENSATION CLAIMS. There is appropriated from the general fund of the state to the department of personnel for the fiscal year beginning July 1, 1997, and ending June 30, 1998, the following amount, or so much thereof as is necessary, to be used for the purpose designated:

For distribution, subject to approval of the department of management, to various state departments to fund the premiums for paying workers' compensation claims which are assessed to and collected from the state department by the department of personnel based upon a rating formula established by the department of personnel:

..... \$ 5,884,740

The premiums collected by the department of personnel shall be segregated into a separate workers' compensation fund in the state treasury to be used for payment of state employees' workers' compensation claims. Notwithstanding section 8.33, unencumbered or unobligated moneys remaining in this workers' compensation fund at the end of the fiscal year shall not revert but shall be available for expenditure for purposes of the fund for subsequent fiscal years.

Sec. 22. DEPARTMENT OF REVENUE AND FINANCE. There is appropriated from the general fund of the state to the department of revenue and finance for the fiscal year beginning July 1, 1997, and ending June 30, 1998, the following amounts, or so much thereof as is necessary, to be used for the purposes designated, and for not more than the following full-time equivalent positions used for the purposes designated in subsections 1 through 3:

..... FTEs 539.00

1. COMPLIANCE

For salaries, support, maintenance, and miscellaneous purposes:

..... \$ 10,302,325

2. STATE FINANCIAL MANAGEMENT

For salaries, support, maintenance, and miscellaneous purposes:

..... \$ 10,613,764

3. INTERNAL RESOURCES MANAGEMENT

For salaries, support, maintenance, and miscellaneous purposes:

..... \$ 6,072,663

4. COLLECTION COSTS AND FEES

For payment of collection costs and fees pursuant to section 422.26:

..... \$ 45,000

5. a. The director of revenue and finance shall report annually to the chairpersons and ranking members of the joint appropriations subcommittee on administration and regulation and the legislative fiscal bureau on the implementation and financial status of the integrated revenue information system. The report shall include any changes from the scheduled progress including expenditures or estimated revenue.

b. The director of revenue and finance shall prepare and issue a state appraisal manual

and the revisions to the state appraisal manual as provided in section 421.17, subsection 18, without cost to a city or county.

Sec. 23. LOTTERY. There is appropriated from the lottery fund to the department of revenue and finance for the fiscal year beginning July 1, 1997, and ending June 30, 1998, the following amount, or so much thereof as is necessary, to be used for the purposes designated:

For salaries, support, maintenance, miscellaneous purposes for the administration and operation of lottery games, and for not more than the following full-time equivalent positions:

.....	\$	7,699,135
.....	FTEs	120.00

Notwithstanding section 99E.10, subsection 1, the lottery expenses for marketing, educational, and informational material shall not exceed three percent of the lottery revenue.

It is the intent of the general assembly that none of the lottery appropriation shall be expended for the lease or purchase of any equipment that sells lottery tickets, validates winning tickets, and allows credit from winning tickets back on the equipment. However, such lottery equipment may be leased or purchased if the credits from winning tickets are printed out on a receipt for cash redemption only.

Sec. 24. MOTOR VEHICLE FUEL TAX APPROPRIATION. There is appropriated from the motor vehicle fuel tax fund created by section 452A.77 to the department of revenue and finance for the fiscal year beginning July 1, 1997, and ending June 30, 1998, the following amount, or so much thereof as is necessary, to be used for the purposes designated:

For salaries, support, maintenance, and miscellaneous purposes for administration and enforcement of the provisions of chapter 452A and the motor vehicle use tax program:

.....	\$	998,276
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Sec. 25. SECRETARY OF STATE. There is appropriated from the general fund of the state to the office of the secretary of state for the fiscal year beginning July 1, 1997, and ending June 30, 1998, the following amounts, or so much thereof as is necessary, to be used for the purposes designated:

1. ADMINISTRATION AND ELECTIONS

For salaries, support, maintenance, miscellaneous purposes, and for not more than the following full-time equivalent positions:

.....	\$	656,440
.....	FTEs	10.00

It is the intent of the general assembly that the state department or state agency which provides data processing services to support voter registration file maintenance and storage shall provide those services without charge.

It is the intent of the general assembly that contracts and agreements relating to data processing for voter registration records to which the department of general services or the state registrar of voters is a party immediately prior to the effective date of this Act shall remain in effect until their expiration unless earlier terminated or amended by mutual consent.

2. BUSINESS SERVICES

For salaries, support, maintenance, miscellaneous purposes, and for not more than the following full-time equivalent positions:

.....	\$	1,770,796
.....	FTEs	32.00

3. OFFICIAL REGISTER

For costs incurred in the printing of the official register:

.....	\$	45,000
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The secretary of state may consider an electronic version of the official register as an official copy for distribution.

* Item veto; see message at end of the Act

Sec. 26. STATE-FEDERAL RELATIONS. There is appropriated from the general fund of the state to the office of state-federal relations for the fiscal year beginning July 1, 1997, and ending June 30, 1998, the following amount, or so much thereof as is necessary, to be used for the purposes designated:

For salaries, support, maintenance, miscellaneous purposes, and for not more than the following full-time equivalent positions:

.....	\$	252,663
.....	FTEs	3.00

Sec. 27. TREASURER. There is appropriated from the general fund of the state to the office of treasurer of state for the fiscal year beginning July 1, 1997, and ending June 30, 1998, the following amount, or so much thereof as is necessary, to be used for the purposes designated:

For salaries, support, maintenance, miscellaneous purposes, and for not more than the following full-time equivalent positions:

.....	\$	927,014
.....	FTEs	27.80

The office of treasurer of state shall supply clerical and secretarial support for the executive council.

***Sec. 28. BUDGET PREPARATION — INTENT OF GENERAL ASSEMBLY.**

1. In preparing budgets for the fiscal year beginning July 1, 1998, and ending June 30, 1999, the state agencies receiving appropriations pursuant to this Act shall conform to the following standards:

a. The supervisory span of control for the agency shall be one supervisor for five or more subordinates.

b. The request for office supplies shall not exceed the norm for all state agencies as determined by the department of management.

2. If a budget fails to comply with a standard specified in subsection 1, the state agency shall provide a detailed explanation for each variance to the co-chairpersons and ranking members of the joint appropriations subcommittee on administration and regulation.*

Sec. 29. ELIMINATION OF VACANT UNFUNDED JOBS. Within sixty days after an unfunded vacancy occurs, a state department, agency, or office receiving appropriations under this Act shall eliminate the vacant unfunded position from the table of organization of the state department, agency, or office.

Approved May 27, 1997, except the items which I hereby disapprove and which are designated as Section 14, subsection 2, unnumbered and unlettered paragraph 2 in its entirety; Section 14, subsection 4, unnumbered and unlettered paragraph 2 in its entirety; Section 23, unnumbered and unlettered paragraph 2 in its entirety; and Section 28 in its entirety. My reasons for vetoing these items are delineated in the item veto message pertaining to this Act to the Secretary of State this same date, a copy of which is attached hereto.

TERRY E. BRANSTAD, Governor

Dear Mr. Secretary:

I hereby transmit Senate File 529, an Act relating to and making appropriations to certain state departments, agencies, funds, and certain other entities, providing for regulatory authority, and other properly related matters.

Senate File 529 is, therefore, approved on this date with the following exceptions, which I hereby disapprove.

* Item veto; see message at end of the Act

I am unable to approve the item designated as section 14, subsection 2, unnumbered and unlettered paragraph 2, in its entirety. This item states the legislature's intent relating to funds to be appropriated in fiscal year 1999 and thereafter. Language directing or restricting the use of certain funds is more appropriately provided in the year the funds are appropriated.

I am unable to approve the item designated as section 14, subsection 4, unnumbered and unlettered paragraph 2, in its entirety. This item would require the Council on Human Investment to inform the legislature on the progress made toward the adoption of state agency budget performance measures. Requiring the Council on Human Investment to provide this information is not appropriate as neither the selection nor adoption of performance measures falls within the responsibilities of the Council.

I am unable to approve the item designated as section 23, unnumbered and unlettered paragraph 2, in its entirety. This item would limit lottery marketing and public information expenses to three percent of lottery revenues. Commissioner Ed Stanek has done an outstanding job of managing an honest, efficient, and well run lottery. If the state is to maintain a lottery, adequate flexibility must continue to be provided to ensure a well run program. This provision would unduly restrict the commissioner's ability to effectively operate the state lottery.

I am unable to approve the item designated as section 28, in its entirety. This item would require state agencies to conform to certain staffing and office supply expense standards in preparing their budgets for fiscal year 1999. Strict compliance with such standards is impractical given the different staffing and supply needs of the various agencies.

For the above reasons, I hereby respectfully disapprove these items in accordance with Amendment IV of the Amendments of 1968 to the Constitution of the State of Iowa. All other items in Senate File 529 are hereby approved as of this date.

Sincerely,
TERRY E. BRANSTAD, Governor

CHAPTER 212

APPROPRIATIONS — EDUCATION

S.F. 549

AN ACT relating to the funding of, operation of, and appropriation of moneys to the college student aid commission, the department of cultural affairs, the department of education, the state board of regents, to the transfer of moneys from the interest for Iowa schools fund, and making related statutory changes and providing effective date and applicability provisions.

Be It Enacted by the General Assembly of the State of Iowa:

COLLEGE STUDENT AID COMMISSION

Section 1. There is appropriated from the general fund of the state to the college student aid commission for the fiscal year beginning July 1, 1997, and ending June 30, 1998, the following amounts, or so much thereof as may be necessary, to be used for the purposes designated:

1. GENERAL ADMINISTRATION

For salaries, support, maintenance, miscellaneous purposes, and for not more than the